



**Special Meeting  
October 13, 2015**

Mayor Irvin T. "Butch" Callery called the October, 2015 City of Villa Hills special meeting to order at 6:30 p.m. at the Villa Madonna Auditorium, 2500 Amsterdam Road, Villa Hills, Kentucky. Mayor Callery welcomed the audience then asked Mr. Bohman read the special meeting notice and to take the roll. Mr. Bohman read the special meeting notice and took the roll. Those in attendance:

**Mayor Butch Callery**  
**G. Bruns**  
**G. Kilburn**  
**M. Koenig**  
**S. Ringo**  
**J. Vaden**  
**G. Waugaman**

**Craig T. Bohman, City Administrator/Clerk**  
**Mary Ann Stewart, City Attorney**  
**Dave Whitacre, City Engineer**  
**Bryan Allen, Chief of Police**

A quorum was present.

Mayor Callery turned the floor over to Mr. Waugaman and Mr. Ringo for the presentation on the ballot question.

- Mr. Ringo told the audience that this is a different type of ballot question than they have seen in the past. It was not a request for funding as Council has already acted to increase funding for roads, but the ballot question gives residents an option to make an economical decision for themselves about the best manner to pay for roads.
- Mr. Ringo discussed the 10 year average of road funding revenue of \$338,788 and expenses of \$375,110, and pointed out that this year's budgeted amount was \$329,000.
- Mr. Waugaman presented examples and pictures of needed road work due to deferred maintenance or premature failures on Appleblossom, Squire Oaks, Lillian, Felice, Windgate, Palomino, Villa, Boulder, Valley Trails, Timberline, Sunglow, Thirs, Damson, Sierra, and Rogers.
- Mr. Ringo explained the city engineer's projections of \$700,000 per year for needed road funding, that a new concrete street is expected to last about 50 years with asphalt overlays to extend its lifecycle. He noted that the current age distribution of streets shows 7% of city streets being 50 years or older, however, within the next 10 years that percentage jumps to 40% and rises to 85% within 25 years.
- Mr. Ringo explained that the cost of road repairs has fluctuated over the last 10 years due to economic conditions.
- Mr. Ringo described ordinances 2015-9 increasing the insurance premium tax from 7% to 10% and 2015-10 increasing the payroll tax from 1% to 1.5% to pay for roads. He noted that the payroll tax increase will remain in place and take effect in January regardless of the result on the ballot question. Mr. Ringo

explained that the insurance premium tax increase would go into effect if the ballot question fails. If the ballot question passes, the insurance premium tax would drop to 5% and the funding for roads would be replaced with a 6.7 cent per \$100 valuation road tax. Mr. Ringo noted that either option brings in about \$710,000 in total road funding between municipal road aid, the payroll tax increase and either the insurance premium tax or the road tax.

- Mr. Waugaman discussed the city's current ranking of various tax rates among roughly 2 dozen Northern Kentucky cities. He noted that with the increases the city moves from the bottom of the ranking to the middle of the pack with many cities taxing additional items that Villa Hills does not tax such as health and life insurance premiums and utility bills.
- Mr. Ringo presented the ballot question for voters to consider. He explained that the insurance premium tax would be reduced from 10% to 5% and noted that the increase from 5% to the current rate of 7% was passed by the previous council to replace the \$40 vehicle license fee. He noted that as a property tax the road tax would be subject to homestead exemptions and income tax deduction for those who qualify.
- Mr. Waugaman gave an example of how he would fair under both scenarios. He noted that he would pay \$93 more if the insurance premium tax increase remained in place, but would pay \$38 more if the road tax passed. Mr. Ringo replied that he would save \$86 with the road tax over the insurance premium tax increase. He reminded the public that insurance goes up every year while property values are reevaluated every 4 years.
- Mr. Ringo summarized the presentation reiterating that the ballot question was not a request for funding but an option for voters to decide which way to pay. In most cases, passing the ballot question is better for residents. He pointed out that the funding mechanism for roads includes an increase in the payroll tax so those that work in Villa Hills and use the city's roads will also share in the cost for the upkeep of the roads.
- Mr. Waugaman stated that the current Mayor and Council have kept their campaign promises to address road maintenance. He noted that suggestions from Mr. Bruns, Ms. Vaden and Ms. Koenig were incorporated into the ballot proposal.

With the presentation completed, Mayor Callery opened the floor for questions and comments from the public.

- Chris Nordloh of Squire Oaks Drive inquired about the difference in funding between the insurance premium tax and the road tax. Mr. Waugaman responded that the difference was \$2,000 overall with the insurance tax option bringing in \$710,000 in overall road funding and the road tax option bringing in \$708,000.
- Bob Sanders of Appaloosa inquired about the meaning of "real" property. City Attorney Stewart responded that it was land and the building. Mr. Sanders commented that he street was overlaid and is already falling apart. He asked the city to communicate better with residents because he received no notice that his street was going to be repaved on a particular date and his vehicle was covered by the tar/tack put down to adhere the asphalt to the concrete. Mr. Sanders asked Council to put all "hidden" taxes on the property tax bill such as the insurance premium tax so everything could be deducted. Mr. Bruns responded that many people feel this way but can't move everything on to the tax bills. He

noted that future Councils can increase the premium tax, even if it drops to 5% or Kenton County can decide to apply its premium tax inside city limits which is currently exempted. Mr. Ringo replied that Council cannot increase property taxes more than 4% without the approval of voters. Denny Houlehan of Rogers Road noted that when Campbell County increased its premium tax all the cities in the county followed suit to keep the premium taxes in their cities.

- Mike Becker of Cedar Brook noted that roads impact property values. He stated that the property tax was not equitable because of differences in home values and wanted to know why an increase in the vehicle license fee was not considered. Ms. Koenig responded that the cost of administration of the vehicle license fee was high and that collecting the fee is difficult. Mr. Becker inquired about what was done to collect delinquent account. Ms. Koenig replied that previously the city sued those who did not pay. City Administrator/Clerk Bohman explained that about 500 delinquent accounts were sent to 3<sup>rd</sup> party collection. Mr. Becker asked why the police could not just write tickets for cars parked without stickers. Mr. Waugaman responded that police could not write tickets for vehicles parked in driveways, and regardless the vehicle sticker fee did not generate enough revenue to pay for needed road work. It would have to be \$80 to \$100 per vehicle to raise the money needed. Further he noted that \$30,000 spent to administer the vehicle license fee reduced the amount available for road work. Ms. Vaden gave examples of residents with vehicles registered in Ohio and other ways to avoid paying the fee. She noted that other funding mechanisms require everyone to pay. Discussion followed.
- David Freytag of Riverview Farms pointed out that the ordinance and the ballot question have conflicting language. Mr. Ringo replied that the conflict can be resolved in favor of the ballot question as the ordinance has only had a first reading and would get a second reading if the ballot question passes.
- John Stevens of Carpenters Trace questioned why the city accepted Felice Drive (with its defects). Mr. Kilburn responded that the city had no choice and does not accept streets, they are turned over to the city. Ms. Stewart explained under the subdivision regulations in Kenton County the street is given to the city after the planning commission signs off that the street meets minimum standards. She noted that efforts are under way to increase the minimum standard to avoid having new streets fail sooner than expected. Mr. Stevens commented on past issues with Carpenters Trace. He asked if the residents of Prospect Point pay city tax. Ms. Koenig responded that the area pays Villa Hills' taxes and the city maintains Prospect Point Drive to the split. Mr. Kilburn explained that the residents also pay a monthly Homeowners association fee for maintain the rest of their private streets. Mr. Stevens asked Council which way they wanted him to vote. Mr. Waugaman replied that is up to each individual voter to decide based on their situation to decide which funding mechanism best for them. MS. Koenig stated that as a taxpayer she preferred the road tax because it was restricted to roads only and council could lower it if needed. However, future councils could take the insurance premium tax dollars and redirect the funds to other uses. Mr. Waugaman stated that council is trying to fix the roads and not looking to build a surplus.
- Tim Sogar of Sierra Drive told Mr. Stevens that the road tax is a no brainer because insurance goes up every year. Mr. Ringo stated that the city has \$3 million in deferred maintenance and is looking at bonding.

- Tom Wenning of Carpenters Trace stated that it was good to see everyone working together on the issues. He inquired if \$700,000 was enough. Mr. Waugaman noted that the city has received a grant for \$300,000 for Buttermilk and that Valley Trails was recently designated a collector which makes it eligible for grants. Ms. Vaden replied that the funding level was the most discussed issue all year as council balanced the tax burden of those on fixed incomes against the need to address deferred maintenance. Mr. Kilburn stated that other states require developers to post subdivision improvement bonds but Kenton County does not. Mr. Kilburn discussed the funding ratio of the 26 cent per gallon gas tax that residents pay and how most of that money goes to rural areas of the state while most jobs are in the urban areas. Mr. Waugaman stated that the issue had been debated for many years and plagued many city councils while the city has only spent half or less of what it needs. He noted after 12 to 16 years of debate, council finally has the funding in place that the city engineer says is needed to address roads.
- Jim Richters of Rogers Road stated he was confused about the ballot question at first but wonders if others who do not have the information to be well informed enough to be able to make a well informed vote. Discussion followed regarding ways to further publicize the public hearing scheduled for next week. Mr. Kilburn stated everyone present can tell one neighbor about the ballot question. He reminded the public that addressing the road issue was one of the top three items listed by every candidate in last years' election and he is proud to be a part of a team under Mayor Callery that has discussed this issue thoroughly and not to kick the can down the road. Mr. Bruns stated he was excited to see the road work that will be done over the next 3 to 6 years and the city could be pleasantly surprised by how far this money will go to address road issues and that the tax may be able to be permanently reduced in the future.

Mayor Callery thanked everyone for attending and for the input received from residents. He noted that the funding mechanism had been discussed and negotiated, that everyone is working well together and that the vote was unanimous. He encouraged those present to invite their neighbor to River Ridge for the second public hearing.

With there being no further public comments, motion to adjourn made by Mr. Kilburn, seconded by Ms. Vaden. Motion carried by voice vote all in favor.

Time of adjournment was 7:50 p.m.

Respectfully submitted,



Craig T. Bohman, City Administrator/Clerk



Irvin T. "Butch" Callery, Mayor